



## **AMERICERT INTERNATIONAL**

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### **Guidance on Supply Chains for Operations Receiving (Not Purchasing) Organic Items**

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In January 2023, the USDA NOP published the Strengthening Organic Enforcement (SOE) rule. This rule substantially revises and updates the regulations to reduce fraud in the organic marketplace and increase organic integrity. Two elements of fraud prevention are the requirements for certified organic operations to verify their suppliers and the organic integrity of organic items received. In addition, certified organic operations must maintain records that trace back to the last certified organic source.

It can be confusing for some operations to identify their supply chain: Who IS our supplier? Who IS my last certified organic source? What records should I be maintaining?

Americert has prepared this Guidance to aid operations in understanding these concepts. If you have questions regarding specific issues related to your supply chain, don't hesitate to contact Americert.

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#### **Section I: Verification of Suppliers**

To verify your suppliers, you need to know: Who is our supplier? Who is my last certified organic source?

**A. Suppliers.** In general, you are receiving organic items because either some company (or your company's other location) is contacting your operation to inform you a load or order of organic items is coming your way on their behalf, is arranging shipment of cargo to you, or is requesting that you receive cargo for them for you to store or otherwise process. That company (the one contacting or contracting with you) is your supplier. [Note: The transport company is not considered the supplier.]

If the organic items received are wholesale bulk products, the supplier is the last certified organic source. No exemption remains that allows the sale of wholesale bulk organic items. No exemption remains that allows an uncertified company to source ingredients (bulk or retail) and have them shipped to their copacker receiver. Your supplier, in these cases, must be certified organic.

If the organic items are retail packaged products, the supplier may or may not also be the last certified organic source. There is an exemption allowing for the sale of retail products packaged in sealed, tamper-evident packaging.

Sealed, Tamper-Evident means that the contents are sealed so that an attempt to break the seal, access the contents (including to take out or put in a product), or reclose the package would be noticeable. The critical factor is whether something could be swapped out from the



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package or the product inside accessed without damaging the package or leaving evidence of tampering.

**B. Last Certified Organic Source.** The last certified organic source is the company that was the certified organic company in your supply chain immediately before you.

If the suppliers are certified organic, they are also the last certified organic source. You must maintain a current, updated copy of their organic certificate that lists the products you receive. All suppliers of bulk, wholesale organic items must be certified organic.

If the suppliers are not certified organic, they are still your supplier, but the handler that packed the item is the last certified organic source. *[Note: Because all suppliers of bulk wholesale organic items must be certified organic, this paragraph would only apply to retail packaged products.]* In this case, you must maintain an Uncertified Handler Affidavit completed by the brand owner or whatever company has contracted with you. You must also keep an updated copy of the organic certificate for the handler that packed the organic item.

If the organic items are unpackaged, the organic items must be transported from a certified organic location to a certified organic location, with only those two certified organic locations doing any unloading, loading, or storage. Uncertified transporters are not allowed to load, unload, or store unpackaged organic items. *[Note: The vessel/truck an organic item is transported in is not considered packaging for purposes of this paragraph.]*

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## **Section II: Verification of Organic Integrity of Organic Items Received**

Certified organic operations must verify the organic integrity of organic items received. In addition, records must be maintained that trace back to the last certified organic source.

**A. Inbound Inspections.** You should inspect the inbound load to verify that there are no apparent risks to organic integrity and no evidence of contamination and commingling. If the product is packaged, you should verify that the packaging appears intact and not damaged. If the product is packed in sealed, tamper-evident packaging, you should confirm that the packaging remains intact. If the organic items are unpackaged or open-topped packaging, you should maintain documentation from the transporter (such as Clean Truck Affidavits) showing that the transport vehicle was cleaned before loading. If the organic items arrive in a tanker or container, you should inspect the tag/seal number to confirm it matches the number of the one affixed at the last certified organic source. *[Note: The vehicle or vessel in which the organic items are transported is not considered a package for this paragraph.]* If the items received are not retail products, you should verify that the nonretail container used for packaging or storage



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is labeled with the organic item's organic status (i.e., 100% Organic, Organic, or Made with Organic).

**B. Traceability.** You should verify that the organic items are marked with a traceability identifier. This traceability identifier could be a lot number, shipping identification number, date of harvest, Transfer/Purchase/Sales Order number, Bill of Lading number, pallet tag number, container number, seal number, or some other identifier that is unique to that shipment and that also links to (is stated on) the inbound shipping documentation.

**C. Inbound/Acquisition Notification.** You should maintain some documentation (as simple as an email) from the supplier. This notification must notify you of the inbound load, contain a traceability identifier that links to (is stated in) the inbound documentation that arrived with the cargo, and notes the organic status (i.e., 100% Organic, Organic, or Made with Organic) of the organic items. Americert refers to this as an *Inbound/Acquisition Notification*. Along with a traceability identifier, this notification will also ideally contain information about the estimated date of arrival of the load (such as week or month), the product to be received, the amount to be received, and from where it will be received. For example, my supplier could email me: "You will receive a load of 15,000 lbs of organic apples in the third week of November this year from Warehouses R' Us with BOL # 12345."

**D. Inbound Shipping Documentation.** For the inbound load, you should maintain inbound shipping documentation (such as bills of lading, shipping manifests, manifest details, or pack lists). This inbound shipping documentation must state the organic status (i.e., 100% Organic, Organic, or Made with Organic) of the organic items and the traceability identifier. It also should state the amount to be received, the product to be received, the date shipped, to where/whom it is shipped, and from where it is shipped. It may also state on whose behalf the product was shipped (such as the consignor). You should confirm that what you received is as described in that shipping documentation—that you received the same product and amount as noted in the documentation. Finally, your inbound shipping documentation must link to the Inbound/Acquisition Notification via a unique traceability identifier (such as Purchase Order number, Sales Order number, product lot number, Transfer Number, BOL #, pallet tag number).

**E. Receiving Log or Record.** You should maintain receiving records noting what product you received, for what supplier it is received, the amount received, the date received, the supplier's traceability identifier (such as container number, product lot number, Transfer Order Number, etc.), the organic status of the product received, and the unique internal lot number you assigned to that product. For more information about unique internal lot numbers, please see Americert's "Guidance on the Use of Internally Assigned Lot Numbers for Received Products and Ingredients." [[Guidance on Internal Lot Numbers](#)]

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F. Quarantine. If you are unable to verify the organic status of the organic items received, you should have policies, practices, or procedures in place to quarantine non-compliant, non-conforming, or questionable products (products for which sufficient documentation of organic status has not been received) to prevent it from being released as organic until the issue of its organic status is resolved.

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### **Section III: Offsite Storage**

If you contract with or arrange for storage of inbound organic items at an offsite storage location, you must maintain an Uncertified Handler Affidavit or an organic certificate for that storage location. This documentation should be provided with each application (whether initial or renewal).

Please note that offsite locations storing product that is NOT sealed tamper-evident MUST be certified organic. They no longer qualify for uncertified handler status.

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### **Section IV: Not Sealed, Tamper-Evident**

Until March 19, 2024, some operations may find themselves in situations where the supplier is not certified organic, and the items received are not packaged in a sealed, tamper-evident manner. In these situations, additional steps are necessary to verify the organic status of the items received. No exemption remains for the warehousing or storage of organic items that are not sealed tamper-evident.

In these situations, in addition to the supplier's Uncertified Handler Affidavit and the organic certificate for the last certified organic source, you must verify the organic integrity of the items you receive. When you receive organic items that are not sealed, tamper-evident from an uncertified supplier and discover upon receiving it that it was shipped from a warehouse other than a location listed on the organic certificate for the last certified organic source, you should request documentation (such as an organic certificate) verifying that warehouse is certified organic and hold that inbound load in quarantine until that documentation is received.

No exemption remains for the warehousing or storage of organic items that are not sealed tamper-evident. Therefore, beginning March 20, 2024, all such warehouses or storage locations must be certified organic. Starting March 20, 2024, organic items not sealed tamper-evident stored at uncertified warehouses will be deemed to have lost their organic status. They can no longer be represented, used, or marketed as organic.

No exemption remains for selling wholesale or retail products that are not sealed tamper-evident. Therefore, beginning March 20, 2024, all such suppliers must be certified organic. Starting March 20, 2024, organic items not sealed tamper-evident and sold by uncertified



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